

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO TIME INC INTERROGATORIES REDIRECTED FROM WITNESS WILLIAMS
(TI/USPS-T1-1 THROUGH 3)**

The United States Postal Service hereby files responses to the above-listed interrogatories of Time, Inc. dated December 22, 2011. The interrogatories have been redirected from witness Williams to the Postal Service for institutional responses. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO TIME INCORPORATED INTERROGATORY
REDIRECTED FROM WITNESS WILLIAMS**

TI-USPS-T1-1 Your testimony, as well as the Postal Service's December 15 notice in the Federal Register, describes the service standards that will apply to First Class and Periodicals mail if the network changes you propose are implemented. In particular, you confirm the intention to continue with a one-day (overnight) service standard for properly presorted Periodicals flats that are entered at the destinating SCF prior to the critical entry time (CET).

Please explain how the Postal Service intends to measure the extent to which service standards are being met after the changes proposed in this docket have been implemented. In particular, please answer the following:

- a. Will the Postal Service measure and publicly report the volumes of (i) First Class and (ii) Periodicals mail that qualify for overnight delivery under the proposed new standards?
- b. Will the Postal Service measure and publicly report the volumes of (i) First Class and (ii) Periodicals mail that both qualify for overnight delivery under the proposed new standards and actually achieve overnight delivery?
- c. If the answer to any part of questions a and b above is Yes, to what level of detail will such volumes be measured and reported?

RESPONSE

- a-c. The Postal Service expects that its current obligation to report First-Class Mail service standard achievement on the basis of applicable service standards related volume information to the Commission will continue and will continue to be met. The Postal Service is not aware of any basis for expecting a change in the current Periodicals Destination Entry and End-to-End service reporting requirements.

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TI-USPS-T1-2 Regarding the measurements of service performance for Periodicals mail, please confirm the following, or explain if unable to confirm.

- a. During FY2011, the reports filed by the Postal Service were based on data collected by (1) the not-for-profit Red Tag News Publications Association; and (2) Time Inc. through the Deltrak system.
- b. Starting in FY2012, the Postal Service will no longer make use of the above mentioned data systems for the purpose of service performance measurement.

RESPONSE

- a. Confirmed.
- b. Confirmed.

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TI-USPS-T1-3 Please explain how the Postal Service intends to monitor Periodicals service performance during FY2012 and in future years. In particular:

- a. Does the Postal Service in the future plan to rely exclusively on scans of intelligent mail barcodes (IMB) for measurement of Periodicals service performance? If No, what other methods will be used?
- b. Please describe the role of IBM and, if applicable, any other outside contractor involved in the measurement of Periodicals service performance, either currently or with respect to the future.
- c. Please provide a copy of all relevant statements of work (SOW) under which IBM and, if applicable, any other contractor is helping to measure Periodicals service performance, or to develop methodologies for such measurements, either currently or with respect to the future.
- d. Both Deltrak and Red Tag capture in-home arrival dates for measurement of service performance. Do the Postal Service's plans for continued monitoring of Periodicals service performance include in-home arrival dates? If yes, how will such data be collected, and how comparable will the amount of such data collected be to that collected by Deltrak and Red Tag?

RESPONSE

- a-b. The Postal Service plans to use the same approach as is used for other commercial mail letter and flat products. The Postal Service's service performance measurement system uses documented arrival time at a designated postal facility to start the measurement clock, and an Intelligent Mail barcode (IMb) scan by an external, third-party reporter to stop the clock. Mailpiece tracking from IMb in-process collected by the Postal Service are provided to an independent, external contractor to calculate service measurement and compile the necessary reports. The external contractor determines service performance based on the elapsed time between the start-the-clock event recorded by the Postal Service and

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RESPONSE to TI-T1-3 (continued)

the stop-the-clock event recorded by anonymous households and small businesses that report delivery information directly to the contractor. The service measure consists of two parts: (1) how long mail pieces take to get through processing, and (2) how long mail takes from the last processing scan to delivery. The second portion is used as a delivery factor differential to determine the percent of all Periodicals delivered on the last processing date versus the percent delivered after the last processing date.

- c. See the attachment to this response for a copy of the Intelligent Mail Accuracy and Performance System statement of work.
- d. Yes, the system incorporates in-home arrival dates as described in response to subpart (a).

iMAPS – Intelligent Mail® Accuracy and Performance System
Full Service Integration
Statement of Work
July 5, 2010

1.1 General Introduction

The Customer Knowledge Management group within the Office of the Consumer Advocate is responsible for all official independent measurement of service performance. The purpose of this Statement of Work (SOW) is to transition the conversion from data collection and Intelligent Mail Accuracy Performance System (IMAPS) report production based on data provided by Seamless Acceptance Service Performance Proof of Concept (SASP-POC) to data collected through the use of SASP Full Service System. The system will capture the detailed requirements for external performance measurement, scoring methodology; USPS and Postal Regulatory Commission (PRC) report generation, and reporter identification and management.

1.2 Background

In response to the Postal Accountability and Enhancement Act (PAEA) requirement for performance measurement of all market dominant products, the USPS has developed several different initiatives. One major task is to develop the essential requirements for reporting the performance of market dominant products to the Postal Regulatory Commission. The USPS is recommending that both Intelligent Mail ®(IM) and external measurement be combined to provide the most reliable start- and stop-the-clock processes for several market dominant products.

The development of the iMAPS system has gone through the following evolutions. iMAPS Phase 1 defined the detailed vision, the management plan, the delivery dependencies and the specific costs to the level of precision where the USPS can budget for and commit to the full-scale deployment of the strategy. iMAPS Phase 2 built on the strategy defined in iMAPS Phase 1 and required the supplier to design, develop, test and implement significant portions of the iMAPS application defined in iMAPS Phase 1. The supplier procured the scanners and deployed them to field reporters after establishing the related scanner management processes. Phase 2 also included the acquisition and setup of the infrastructure architecture for Transit Time Measurement System (TTMS) migration and iMAPS development, test, and production environments. This theme was continued in iMAPS 3 where the supplier was required to obtain the mail piece, scan and other reference data required to produce and deliver the initial PRC and USPS reports as specified in the earlier phase (phase 2) of the project. Delays in the completion of the Postal Services Full Service Production System required the supplier to use the Seamless POC System to supply the required data to iMAPS. This came initially in the form of flat files and later as database extracts until the automated integration could be implemented. Phase 4 of iMAPS continued to process and analyze the data from the POC system and produce and deliver required ongoing PRC and USPS reports. This phase ensured ongoing statistical analysis and maintenance of the IT infrastructure for iMAPS created

and tested in the earlier phases as well as scanner and incentive payment management systems. This phase included integrating Saturation Mail data. Full Service Integration Phase involved the creation of a database which could interface with the SASP Full Service System and obtain mailpiece and scan data usable for Service Performance Measurement Reports of First Class Presort, Standard and Periodical Mail which displayed IMbarcodes.

1.3 Scope

The purpose of this SOW is to convert the ongoing statistical analysis from using Seamless POC system to using Full Service SASP system and provide for feasibility studies which will address the security issues identified by IT Security which are related to iMAPS database read/write access privileges.

1.4 Security

Since the data received from USPS under the iMAPS measurement system may contain USPS business sensitive data and/or USPS customers' business sensitive data, USPS shall provide to the supplier the necessary USPS-defined security rules and requirements for the protection of any USPS and/or USPS customer sensitive data.

All security issues dealing with this requirement were approved during Phase 2 and Phase 3 of this project. This included a complete evaluation of the Information Technology security housing and lines required at the Houston Facility by USPS Inspection Service Personnel.

As a part of the creation and deployment of the iMAPS database, IT Security has identified what they consider to be a significant security risk under AS 408 regulations. IT Security has indicated a requirement for reconfiguration of the database connections in order to receive full approval for continual database usage. Resolutions for new security issues which have surfaced related to database read/write access privileges are not covered under the scope of this SOW. Only feasibility studies are requested at this time.

1.5 Place of Performance

The software/hardware required in this proposal will be acquired and housed in supplier facilities. All work will be conducted on the suppliers' premises. USPS personnel, including but not limited to the Contracting Officer (CO), Contracting Officer Representative (COR), USPS Inspection Service, Office of the Inspector General (OIG) and TTMS Customer Knowledge Management (CKM) Team must be allowed access to suppliers' facilities. The supplier must provide the necessary space and clearances for USPS personnel to perform verification and quality inspection activities.

1.6 Period of Performance

All work under this modification must be completed by September 30, 2010.

Section 2 – WORK TO BE PERFORMED

2.1 Technical Requirements

The supplier must be familiar with service performance measurement system methodology and reporting, including start the clock and stop the clock rules, Postal Service “service standards”, Postal Service Intelligent Mail® Barcode (IMB) processes and procedures and have resources in place to analyze the Postal Service’s External First Class Measurement System (EXFC). The system must produce statistically valid performance reports for public release and review by external auditors such as PRC, the Office of the Inspector General (OIG) and the Government Accounting Office (GAO).

2.2 Description of Tasks:

2.2.1 Maintain the interface between iMAPS and SASP Full Service system and perform daily (7 days per week) operational activities.

2.2.2 Produce weekly reports, including quarter to date results (weighted and unweighted) and a weekly executive summary for all products including Presort FCM, Standard Mail, Package Services (if there is data available) and Periodicals using data from SASP Full Service. Periodical reports will be used only for internal diagnostic analysis. Official reports for Periodicals in Quarter 4 will come from the Red Tag/Del Trak combined data.

2.2.3 Work with the USPS IT and SASP teams to make ongoing production maintenance updates to Eagan iMAPS Production environments as needed and meet the full TSLC lifecycle process requirements

2.2.4 Prepare for and participate in daily system status calls with USPS IT and weekly maintenance calls between iMAPS and SASP teams.

2.2.5 Work with USPS IT to keep apprised of the system level changes and patches applied to iMAPS servers residing in Eagan. iMAPS may need to change the jobs scheduled to accommodate the system patches.

2.2.6 Research and develop plans for the action items related to server/application performance issues that were documented in the design workshop held at Bolger involving IBM, USPS, SASP and Oracle technical teams. Implementation of these plans is not requested at this time.

2.2.7 Research the feasibility of leveraging Hardware Security Module (HSM) and/or the Oracle equivalent of HSM as a possible approach to address the iMAPS Security remediation issue related to database read/write access privileges.

2.2.8 Review and evaluate the incoming data from SASP Full Service and report on anomalous or problematic data in connection with analysis and cleaning.

2.2.9 Close down the iMAPS Proof of Concept production server and migrate the necessary data into the Full Service iMAPS Houston production server for ongoing ability to report historical information.

2.2 Describe All Work Elements

The TTMS project executive and iMAPS project manager will manage all aspects of the project and will be the focal point of contact for USPS for project activities.

The supplier will establish and maintain open communication with the USPS program manager(s), key stakeholders, and subcontractors. It is critical that all parties be kept cognizant of the project status during the complete project lifecycle. There will be bi-weekly meetings with the USPS program manager to discuss the status of the project, relevant issues, risks and mitigation strategies, and overall status of the project.

The supplier will conduct periodic internal reviews to assess the project's status and progress, develop solutions to problems as they occur, and attempt to eliminate or minimize the impact of anticipated risks or issues.

2.4 Describe Known Risks

The accuracy and precision of the service performance measurement reports depends on the adoption of full service IMB® by the mailing industry, both in terms of volume of mailpieces and in distribution of entry locations, destinations, mail types, and representation of other characteristics.

Should there be a problem with the initial implementation of the interface; the supplier will work with USPS management to determine an alternate approach to deliver the intermediate reports. Alternate sources of data will need to be determined.

The final delivery of the iMAPS system and its ability to produce the required PRC and USPS reports is dependent on the successful implementation and deployment of USPS' SASP system. This includes the resolution of security remediation issues which have been elevated by IT Security and must be resolved and implemented in order to ensure continual production of Service Performance Measurement Reports for those market dominant products covered by the iMAPS/SASP system.

Although the assumptions on which this project is based are currently true and valid, the program manager acknowledges the risk that these may change. Changes to the assumptions on which the iMAPS -SASP interface is based will have a direct impact on the cost, schedule and or quality of this project.

2.5 Deliverables

The following are the deliverables to be delivered during the performance period of this statement of work:

2.5.1 Monthly status report on the iMAPS/SASP interface which will include sections on successful daily operation ,system maintenance issues including system level changes

and uploading of system patches, production updates, system performance concerns, status of ongoing or unresolved issues identified during daily status system calls, and reviews of anomalous or problematic data identified during analysis and cleaning. Documentation on end of quarter impacts to be included.

- 2.5.2 Produce weekly, monthly, quarterly and quarter to date reports, (weighted and unweighted), using the data receive from SASP system. Weekly executive summary for all products including Presort FCM, Standard Mail, Package Services (if data is available) and Periodicals. Periodical data will not be used for official reports.
- 2.5.3 Summary document which denotes the close down of POC production and indicates the creation of ongoing historical information.
- 2.5.4 Feasibility study which relates to use of Oracle as a possible approach to address the iMAPS Security remediation.

2.6 Travel

All required travel to set up or monitor systems involved in this contract must be approved in advance by the Manager, CKM.

2.7 Government Furnished Materials

USPS will provide all postage and postal fees for materials mailed to and from the Reporters with the exception of the scanners.

Section 3: US POSTAL SERVICE CONTACTS

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